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RUCPDO/DEPT OF COMMERCE WASHINGTON DC  
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SUBJECT: LIBYAN MINISTER OF ECONOMY WELCOMES U.S. TRADE MISSION

REF: A) TRIPOLI 258; B) TRIPOLI 485

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11. (SBU) Summary: The Ambassador met with Mohammad Ali al-Hweij, Minister of Economy-equivalent, on December 29 to brief him on the U.S. Trade Mission planned for February, a mission that would further our shared goal of attracting more U.S. companies to Libya. Al-Hweij said he welcomed the delegation and would work on securing visas for the group. Al-Hweij said that a recent edict requiring foreign companies to have Libyan general managers had been revised to require that only representative offices of foreign companies must have Libyan managers. However, companies with Libyan branch managers would receive preferential licensing terms. Al-Hweij also reported that negotiations for a partnership between U.S. heavy machinery firm Caterpillar and the Economic and Social Development Fund were almost completed. The Ambassador noted that a Trade and Investment Framework Agreement (TIFA) would provide a useful framework for resolving similar disputes, adding that Libya's revised draft of the TIFA was with USTR for review. Al-Hweij was pleased to hear a U.S. federal judge will visit Libya next week to conduct a workshop for judges on international commercial arbitration. End summary.

12. (SBU) The Ambassador met with Mohammad Ali al-Hweij, the Secretary of the General People's Committee for Industry, Economy and Trade (Economy ministry-equivalent) on December 29 to brief him on the upcoming U.S. Trade Mission (February 20-22, 2010) and to seek al-Hweij's support for the delegation. The Ambassador said this trade mission would build on the U.S. and Libya's shared goal of attracting more American companies, in diverse fields, to Libya. He also emphasized that the companies are major Fortune 500 firms and cannot be left wondering whether they will receive their visas until the last minute. Secretary al-Hweij said he welcomed the delegation and would work on securing visas for the group. He also said he would personally meet with the delegation and would provide a schedule of site visits and meetings for them. The Ambassador also highlighted the need to secure visa approvals for several Department of Commerce employees who will come to Libya in advance of the delegation in order to prepare the schedule and make other logistical arrangements. Al-Hweij said he would direct his staff to follow-up with the Embassy to ensure the visas were approved on time.

13. (SBU) The Ambassador noted that U.S. companies had expressed serious concerns with a recent edict that requires foreign companies to hire Libyan general managers. Al-Hweij said he had reached an agreement with Prime Minister al-Baghdadi al-Mahmoudi that the edict would be revised and only representative offices of foreign companies would be required to have Libyan managers. He said that managers of branch offices of foreign companies could be of any nationality but that if the manager were Libyan, the company's Libyan license would be valid for five years. If the manager were foreign, the license would be valid for only three years.

14. (SBU) As for U.S. heavy machinery firm Caterpillar's efforts to resolve its status in Libya (Ref A), al-Hweij said negotiations for the joint venture partnership with the Economic and Social Development Fund (ESDF) were almost completed. He said that even before the agreement is signed, however, Caterpillar may continue to import machinery and spare parts into Libya via its European agent. The Ambassador noted that a Trade and Investment Framework Agreement (TIFA) would provide a useful system for resolving such issues in the future, and told al-Hweij that the Libyans' revised draft of the TIFA was with the U.S. Trade Representative's office for review.

15. (SBU) The Ambassador informed al-Hweij that a U.S. federal judge from the Court of International Trade in New York will visit Libya next week (Jan. 3-7) to conduct a workshop for Libyan judges on international commercial arbitration, held in cooperation with the General People's Committee for Justice (Ministry of Justice-equivalent) (see Ref B). Al-Hweij said he welcomed this initiative and he would send a representative to the workshop. He also looked forward to meeting the judge during her visit if possible. He noted that Libya was in the process of revising its commercial laws in order to streamline procedures for registering companies and to modernize the commercial code. He said that Libya had 20 laws bearing on commercial matters, with some dating from 1953. The legal reform is part of the current five-year plan to refurbish

Libya's infrastructure and he hoped Libya would finish the

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program by 2013 when a new five-year plan would begin. Al-Hweij said he would brief the trade mission on these and other developments on Libya's economic and commercial situation.

16. (SBU) Comment: Hweij, like senior MFA officials who have been briefed on the Trade Mission, appeared to welcome to the initiative. However, we continue to face severe problems in the issuance of Libyan visas for USC and USG-sponsored travelers. Continued high-level engagement likely will be required to ensure that visas for the delegation and support staff will be issued in a timely fashion. We will continue to press the issue. End comment.  
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